

Message Text

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64
ACTION NEA-12

INFO OCT-01 ISO-00 H-03 CIAE-00 DODE-00 PM-07 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 ABF-01 OMB-01 TRSE-00 EB-11

AID-20 AGR-20 DRC-01 /177 W
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FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 8107
INFO AMCONSUL BOMBAY
JCSBTA/AMCONSUL CALCUTTA 1581
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CONFIDENTIAL NEW DELHI 13846

E.O. 11652: GDS
TAGS: EFIN, IN
SUBJECT: RUPEES: PRESS GUIDANCE

REF: STATE 232363

1. I VERY MUCH AGREE THAT WE SHOULD BE PARTICULARLY CAREFUL THAT PUBLICITY REGARDING THE INITIALING OF THE RUPEE SETTLEMENT SHOULD ASSIST RATHER THAN OBSTRUCT PROCESS OF APPROVAL IN THE EXECUTIVE BRANCH AND ON THE HILL. WE WILL HAVE THIS VERY MUCH IN MIND AS WE PLAN HOW WE WILL HANDLE THE INITIALING WITH THE PRESS.

2. THE INITIALING OF THE AGREEMENT, HOWEVER, CAN IN NO WAY BE CONSIDERED A CONFIDENTIAL MATTER. THEREFORE, I INTEND IN THE ORDINARY COURSE TO INFORM THE AMERICAN CORRESPONDENTS HERE ABOUT IT. IT IS PERFECTLY CLEAR TO ME THAT THE BIG STORY THEY WILL FILE ON THE RUPEE AGREEMENT WILL BE AT THE TIME OF INITIALING, NOT MONTHS LATER WHEN THE AGREEMENT CONFIDENTIAL

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IS SIGNED. IT WILL BE OLD HAT BY THAT TIME. THERE-

FORE, YOU WILL BE GETTING COVERAGE MIN THE US PRESS
AND NBUEFFORT HERE CAN ASSURETHAT IT WILL
BE LOW KEY. INITIALING WILL BE NEWS AND MOST OF THE
AMERICANS HERE WILL FILE, WHETHER THE EMBASSY
COOPERATES WITH THEM OR NOT.

3. I THINK WE SHOULD COOPERATE WITH THEM BECAUSE
I WANT THEM TO HAVE A STORY WHICH WILL DEMONSTRATE
WHAT A GOOD AGREEMENT THIS IS FROM THE US STANDPOINT.
THE MEMBERS OF THE CONGRESSIONAL COMMITTEES BEFORE
WHOM THIS AGREEMENT WILL REST ARE GOING TO READ OF IT
FIRST IN THE AMERICAN PRESS. THEY ARE ENTITLED TO
STORIES WHICH GET IT STRAIGHT.

4. HERE'S WHAT I HAVE IN MIND FOR PRESS HANDLING.
WE WILL ISSUE HERE WITH THE INDIANS
BRIEF FACTUAL
JOINT ANNOUNCEMENT. IT WILL RECORD THE FACT OF
INITIALING, MENTION BRIEFLY THE GENERAL NATURE OF
THE AGREEMENT AND EXPLAIN THAT IT MUST RECEIVE FINAL
APPROVAL FROM BOTH GOVERNMENTS AND BE PLACED BEFORE
THE INDIAN PARLIAMENT AND THE RELEVANT US CONGRESSIONAL
COMMITTEES PRIOR TO SIGNATURE. I INTEND TO PROVIDE
THE AMERICAN CORRESPONDENTS WITH A FACT SHEET REGARD-
ING OUR RUPEE HOLDINGS AND BRIEF THEM ON THE PRINCIPAL
ELEMENTS OF THE SETTLEMENT. HERE ALSO I WILL MAKE
IT ABUNDANTLY CLEAR THAT THE INITIALING IS ONLY THE
FIRST STAGE OF A PROCESS WHICH WILL REQUIRE EXECUTIVE
BRANCH APPROVAL IN WASHINGTON AND SUBMISSION OF THE
AGREEMENT TO THE FOUR COMMITTEES OF THE US CONGRESS.
ACCODINGLY, WE WILL CERTAINLY NOT RELEASE OR MAKE
AVAILABLE THE TEXT OF THE ACTUAL AGREEMENT; CONGRESS
DESERVES THE COURTESY OF SEEING IT BEFORE ANYONE ELSE
OUTSIDE THE EXECUTIVE BRANCH.

5. I PLAN TO PROVIDE SIMILAR INFROMATION TO THE
KEY INDIAN CORRESPONDENTS WHO HAVE BEEN FOLLOWING
RUPEE MATTERS. WE WILL CAREFULLY AVOID ANYTHING
WHICH SUGGESTS THAT THIS IS A ONE-SIDED AGREEMENT
FROM WHICH ONLY THE INDIANS BENEFIT. EVEN OUR
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INDIAN FRIENDS IN THE MINISTRY OF FINANCE HAVE TOLD
US THEY THINK WE SHOULD GO VERY EASY ON ANYTHING
OF THIS SORT IN ORDER TO AVIOD ENDANGERING THE
PROSPECTS WITH THE CONGRESS. I THINK WE CAN COUNT
ON THEM TO BE HELPFUL.

6. CONCLUSION OF A RUPEE AGREEMENT WILL CONSTITUTE
THE MOST IMPORTANT POSITIVE POLITICAL ACT INVOLVING

THE US AND INDIA SINCE OUR RELATIONS STARTED ON THE
DOWNGRADE IN 1971. AMERICAN CORRESPONDENTS HERE KNOW
THIS AND THEREFORE WILL FEATURE THEIR STORIES WHATEVER
TACK WE TAKE. CONSEQUENTLY, I BELIEVE IT WOULD BE
A GREAT MISTAKE FOR US TO DOWNPLAY THIS ACHIEVEMENT
IN INDIA. LET ME REPEAT, THE AGREEMENT WILL BE NEWS
ONLY WHEN IT IS INITIALED. WE WILL MOUNT A SECOND
EFFORT ON SIGNATURE BUT WON'T GET MUCH. CONSEQUENTLY,
I PLAN TO BE QUITE OPEN WITH THE INDIAN PRESS ABOUT
THIS. LONG BEFORE THE TENTATIVE DATE OF DECEMBER
11 HAD BEEN SET FOR INITIALING I HAD COMMITTED MYSELF
TO SPEAK BEFORE THE INDIAN PRESS CLUB ON DECEMBER
13. THIS WILL GIVE ME A GOOD CHANCE TO SET PROGRESS
TOWARD A RUPEE AGREEMAWT IN THE CONTEXT OF INDIA-US
RELATIONS AND BE SURE EVERYONE HAS IT STRAIGHT THAT
THE AGREEMENT IS ONLY INITIALED, NOT SIGNED.

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